

News Release

Immediate release

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PROPOSED SALES TAX AMENDMENTS AND REGULATIONS TABLED

Secretary of State (International Financial Institutions) Jim Peterson, on behalf of Finance Minister Paul Martin, today tabled in the House of Commons a Notice of Ways and Means Motion that proposes amendments to the *Excise Tax Act* relating to the goods and services tax and the harmonized sales tax (GST/HST). The proposed amendments are aimed at clarifying and refining the application of the GST and HST in the following areas:

- exports by common carrier, drop-shipments and certain imports;
- sale-leaseback arrangements and supplies of leased property in general;
- barter clubs;
- real property supplies and rebates;
- second-language training services supplied by vocational schools;
- health care services, particularly speech therapy, psychological services and hospital care services, as well as services in respect of medical devices;
- public service body rebates;
- gaming industry transactions;
- filing period thresholds;
- tax disclosure requirements;
- tax adjustments by suppliers;
- bad debt deductions;
- *de minimis* financial institutions;
- sale of an account receivable; and
- deemed trust rules.

Also released today are proposed regulations relating to the GST and HST. The *Federal Book Rebate (GST/HST) Regulations* are amended to prescribe additional organizations eligible to receive the 100-per-cent federal rebate of the GST or the federal component of the HST on certain reading materials and audio recordings of printed books. The additional rebate recipients are organizations whose primary purpose is the promotion of literacy. As well, amendments are proposed to the *Games of Chance (GST/HST) Regulations* and to the previously released draft *Place of Supply (GST/HST) Regulations*.



The accompanying publication containing the draft legislation and regulations, as well as explanatory notes, describes these measures in further detail. The “Announcement Date” referred to in the publication is today’s date.

Copies of the accompanying publication are available from the Department of Finance Distribution Centre – telephone (613) 943-8665 – at a cost of \$10.00.

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**NOTICE OF WAYS AND MEANS MOTION
TO AMEND THE *EXCISE TAX ACT***

That it is expedient to amend the *Excise Tax Act* in accordance with the proposals set out in the accompanying publication entitled "Legislative Proposals, Draft Regulations and Explanatory Notes Relating to the *Excise Tax Act*" dated December 1998.

